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**Technology, Energy & Communications  
Committee**

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**SSB 5055**

**Brief Description:** Protecting the interests of customers of public service companies in proceedings before the Washington utilities and transportation commission.

**Sponsors:** Senate Committee on Environment, Water & Energy (originally sponsored by Senators Brown, Fraser, Ranker and Kline).

**Brief Summary of Substitute Bill**

- Creates a "net benefit" standard that the Washington Utilities and Transportation Commission must apply when considering the sale, merger, or transfer of a regulated utility.

**Hearing Date:** 3/4/09

**Staff:** Kara Durbin (786-7133)

**Background:**

The Washington Utilities and Transportation Commission (WUTC) is a three-member commission that has broad authority to regulate in the public interest the rates, services, and practices of privately-owned utilities and transportation companies. The WUTC regulates these utilities under a "rate of return" system, in which a regulated utility is generally allowed to charge rates to cover its costs, plus reasonable compensation for the services rendered.

A regulated utility may not sell or transfer any of its franchises, properties, or facilities without receiving authorization from the WUTC. Authorization from the WUTC is also required before a regulated utility may purchase or acquire any of the franchises, properties, facilities, capital stocks or bonds of another regulated utility.

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The standard by which the WUTC reviews an application for the sale, transfer, or acquisition of a regulated utility is established in statute and in the WUTC rules. The WUTC must deny the sale, transfer, or acquisition of a regulated utility if it is "not consistent with the public interest." In analyzing these transactions, the WUTC applies a "no harm" standard, which means the transaction will be approved if the transaction does not harm customers or the public.

There is no deadline in statute or rule for denying or approving the sale or purchase of a regulated utility.

**Summary of Bill:**

The Washington Utilities and Transportation Commission (WUTC) must not approve the sale, merger, or transfer of any regulated gas or electric utility that would result in a person, directly or indirectly, receiving a controlling interest in the utility without a finding that the transaction would provide a net benefit to the customers of the utility.

The WUTC must approve or deny the sale or purchase of a regulated utility within 11 months of the date of filing. This 11-month deadline may be extended by the WUTC by up to four months for cause.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.